

TANF

The Montana Temporary Assistance for Needy Families Program

PROMOTING THE VALUES OF WORK, RESPONSIBILITY AND FAMILY



**Montana
TANF
Strategic
Planning
Committee**

**State Capitol, Room 152
April 23, 2014**

Welfare Reform Basics

- The welfare reform movement reached its apex on August 22, 1996, when President Clinton signed a welfare reform bill, officially titled the Personal Responsibility and Work Opportunity Act (PRWORA) of 1996.
- AFDC was ended by the Federal PRWORA. In its place, the Temporary Assistance for Needy Families (TANF) program was established and States were given more flexibility in implementing the program.
- With PRWORA TANF did not remain an entitlement program, although the Supplemental Nutrition Assistance Program (SNAP) and Medicaid remained as entitlements.

The Four Purposes of TANF

- 1) Provide assistance to needy families so that children may be cared for in their own home or in the homes of relatives.
- 2) End the dependence of needy parents on government benefits by promoting job preparation, work, and marriage.
- 3) Reduce the incidence of out-of-wedlock pregnancies and establish annual numeric goals for decreased incidence of these pregnancies.
- 4) Encourage the formation and maintenance of two-parent families.

What is an “eligible” family?

- Families who are comprised of citizens or aliens who are eligible for TANF cash assistance or who would be eligible for TANF except for the time limit;
- Are lawfully present in the US and would be eligible for assistance but for the application of Title IV of PRWORA (Qualified Alien criteria)
- Must include a child living with a custodial parent or other adult caretaker relative (or a pregnant woman) ; and
- Are financially eligible according to income and resource standards established by the State and contained in the State Plan.

TANF Federal Funding

- The funding is a Federal Block grant called the State Family Assistance Grant or SFAG and issued on a Federal Fiscal Year.
- Montana's Gross block grant is \$45,534,006 annually
- This amount is reduced by the Tribal Family Assistance Grant (TFAG) by \$7,494,890.
 - Federal regulation provides funding from the SFAG to tribes approved to operate their own Tribal TANF Program.
- Leaving a Net amount of \$38,039,116 available to the state annually.

Use of Funding

States may use its TANF funds in three ways:

1. Transfer up to 30% of its net current year block funds to the Child Care and Development Block Grant. The state can also transfer up to 10% of its TANF under the Social Services Block Grant, providing total transfer does not exceed 30% of the net current year block grant.
2. Expenditures reasonably calculated to accomplish one of the four purposes of TANF.
3. Expenditures under a grandfather clause: A State may also spend funds in any manner in which they were authorized to spend funds on prior to September 30, 1995. Montana Currently provides TANF Emergency Assistance.

Assistance vs. Non-Assistance

Assistance

- The term assistance includes cash, payments, vouchers, and other forms of benefits designed to meet a families ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items and general incidental expenses.)
- It includes such benefits when they are provided in the form of payments by a TANF agency or another agency on its behalf to individual recipients and conditioned on participation in work experience, community service or any other work activity as outlined in 45 CFR 261.30.
- It may include supportive services such as transportation and child care for those who are not employed.

Assistance vs. Non-Assistance Continued....

Non-Assistance

- Non-recurrent short term benefits that are:
 - designed to deal with a specific crisis situation or episode of need;
 - are not intended to meet recurrent or ongoing needs; and
 - will not extend beyond 4 months (in Montana we say 4 months in a FFY).
- Work subsidies;
- Supportive services such as child care and transportation provided to families who are employed;
- Refundable earned income tax credits;
- Contributions to and distribution from Individual Development Accounts (IDA);
- Services such as counseling, case management, peer support, child care information and referral; transitional services; job retention; job advancement and other employment related services that do not provide basic income support;
- Assistance that is only allowable because it is authorized under prior law (e.g., Emergency Assistance in Montana); and
- Transportation benefits provided under a job access or reverse commute project to an individual who is not otherwise receiving assistance.

TANF Time Clock

Individuals may only receive TANF “Assistance” funded with federal dollars for 60 months.

- Federal time clock will increment provided they are a head of household; spouse of the head of household; pregnant minor head of household or minor parent head of household. (45 CFR 264.1)
- The Montana state time clock ticks if the individual receives a TANF benefit, regardless of whether or not they are a “spouse” of the head of household.
- Montana has Exemptions to the time clock for participating teen parents and individuals residing in “Indian Country”. Indian Country is defined as all land within the limits of any Indian reservation under the jurisdiction of the United States government where at least 50% of the adults were not employed. Individuals residing in Indian Country do not have time clock.

Maintenance of Effort (MOE) Funds

- The TANF block grant program has an annual cost-sharing requirement, referred to as "**maintenance of effort**," or "**MOE**."
 - Cost-sharing is required in order to receive the TANF Block grant.
- Every fiscal year the State must spend a minimum amount of its own money (general fund money) to help eligible families in ways that are consistent with the purposes of the TANF program.
- The applicable percentage depends on whether the State meets its minimum work participation rate (WPR) requirements for that fiscal year.
 - If we meet the WPR - must spend at least 75 percent of the amount it spent in 1994.
 - Do Not meet the WPR – must spend at least 80 percent of the amount it spent in 1994.

MOE allowable expenditures

Must be used on benefits or services to eligible families and can include:

- Cash assistance, including the state's share of Child Support Enforcement Divisions collections distributed to the family;
- Child care assistance, with certain limitations.
- Education activities, with certain limitations.
- Any other use of funds allowed as non-medical treatment services for alcohol and drug abuse and some medical treatment services.

How does Montana use this funding?

Required Programs or costs

- TANF Cash Assistance
- Other Required Expenditures
 - Work Readiness Component (Employment & Training) *RFP
 - State Program (to operate Office of Public Assistances)
 - Workers compensation for Work Experience sites
 - Tribal contracts
 - System development & maintenance

** Request for Proposal*

Transfers

- Child Care & Title XX Child and Family Services

How does Montana use this funding?

Current Appropriated programs

- Big Brothers Big Sisters
- Court Appointed Special Advocates (CASA)
- Child care for Working Caretaker Relatives
- Food Banks
- Montana Out of School Time (MOST) grants
- Adult Basic Education *RFP
- Second Chance Homes *RFP
- TANF Employment Services *RFP
- TANF Financial Literacy *RFP

TANF Reauthorization

- TANF was reauthorized under the Deficit Reduction Act in 2005.
- TANF has continued to be extended since 2005.
- Currently TANF continues under the Appropriations Act, 2014 through 9/30/2014.

The Montana TANF program

Questions?